

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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DATE FILED: 8-23-2010

PRO SE OFFICE

UNITED STATES OF AMERICA,

Plaintiff,

- v. -

DANIEL B. KARRON,

Defendant.

08 Civ. 10223 (NRB) (DFE)

DECLARATION OF DEBORAH  
A. DUNLEVY IN OPPOSITION  
TO PLAINTIFF'S MOTION FOR  
SUMMARY JUDGMENT

I, DEBORAH A. DUNLEVY, pursuant to 28 U.S.C. § 1746, declare under the  
penalty of perjury as follows:

**BACKGROUND**

1. I am an forensic bookkeeper.
2. I have over 30 years professional experience doing corporate audits, not for profit audits, and high net worth individual tax returns.
3. I have over 5 years' experience allocating expenses in a not-for-profit grant funded educational entity, Charter Schools in the Bronx
4. I am fully cognizant of the various flavors of the OMB Cost Principles cited in this matter over the years.

5. I have 5 years knowledge of the both the business and personal transactions of
  - a. Dr. Karron,
  - b. Computer Aided Surgery, Inc.
  - c. CASI, LLC.
6. I was not involved with Karron or Computer Aided Surgery or CASI in any way during the NIST ATP project period, or afterward until sometime in 2004.
7. I have personally reconstructed all of the accounts of all of all the entities for the period June 1, 2001 through December 31, 2003.
8. I have not been denied access to any records.
9. I have personally inspected multiple times every single document of any relevance in this case.
- 10.I think Dr. Karron is a kook, but not a criminal.
- 11.I have not found any evidence of fraud.
- 12.I personally detest Dr. Karron because he owes me money.
- 13.I believe Dr. Karron is a genius with no common sense.
- 14.My initial involvement with Dr. Karron was as a tax preparer with Jill Feldman, CPA who was initially the CASI accountant.

15. The date of my initial involvement with Karron was in Autumn 2004, while working as a contractor for Feldman.
16. Karron had asked Feldman to finish the corporate taxes Hayes abandoned.
17. Dr. Karron re-engaged Feldman after disengaging Hayes because of Hayes' poor service as Accountant and Auditor.
18. Almost all of the clients Feldman sold to Hayes were dissatisfied with Hayes service and many returned to Feldman.
19. I worked with the successor CASI Accountants Randall Newman, JD CPA
20. I worked with Karron's criminal lawyer M. Scott Peeler, ESQ
21. I worked with Karron's criminal lawyer Ronald Rubinstein, ESQ
22. I worked with the successor Accountant and Auditor Melvin Spitz CPA.
23. I worked with the following IRS Revenue Agents
  - a. Bonanno (2005-2006)
  - b. Irrizardi (2006-2008)
  - c. Berk(2010)

## **WHAT I HAVE DONE**

1. I have prepared a comprehensive forensic reconstruction.

2. It is a standalone set of number that have been prepared from source documents.
3. I could not reconstruct from the records left by Spring and Jackson.
4. The NIST ATP grant situation is not complicated at all.
5. Of the grant drawdowns for the entire period in questions, FIVE numbers comprise at least 85 per cent of the total spending.

They are

- Payroll
- Payroll Taxes
- Employee Benefits
- Outside Services
- Equipment

#### MY OBSERVATIONS

6. I believe that Karron had a rudimentary accounting system that was destroyed by Haye's unsuccessful attempt to implement an overambitious and expensive quad entry fund accounting system off site.
7. Fund Accounting is used only by government entities anyway.
8. Frank Spring was an incompetent bookkeeper.

9. While he was paying bills, checks were bouncing.

10. My job as forensic bookkeeper was to attempt to understand how and what Hayes did to Dr. Karron and the NIST ATP Project.

11. Hayes wore too many hats:

- a. Dr. Karrons' personal tax accountant
- b. CASI corporate accountant
- c. Overly involved in CASI management functions such as changing payroll over half a dozen payroll periods, and the payroll was still done incorrectly; and prepared under the wrong tax identification numbers. There is enough correspondence from IRS as well as tax liens to keep me busy for another 6 months to straighten out this mess.
- d. NIST accountant, auditor and possible whistleblower.
- e.

12. I carefully reviewed the Hayes taxes on the CASI Payroll . There are many errors in the taxes as calculated and complete disregard for the change in corporate entity that occurred on 8/30/2002 when she did not catch the mistake of Joel Bernstein, ESQ, in changing CASI from a C-corporation to a LLC. This constitutes professional tax negligence. You do not change entity status when you have a net operating loss in the predecessor entity;

because you lose the tax benefits of the net operating loss. This is an additional example of the incompetence of Hayes.

13. Hayes erroneously reported that CASI had no carry forward NOL.
14. Hayes led Bernstein to believe that a novation to LLC would better enable shareholders to use the CASI LLC tax losses to offset their taxes.
15. Hayes did not respect the change in corporate entity from a C-corporation to an LLC and continued to file taxes with the wrong EIN and the wrong Name.
16. I believe she fraudulently led the IRS to believe that there were two parallel payrolls and caused the IRS to double CASI's tax liability.
17. She then offered to "fix" this for Karron; the problems that she had caused.
18. She refused to return the primary payroll documents that rightfully belong to CASI. She also refused to return records. If a client owes a CPA money, you do not have a lien on their source documents. Those documents belong to the client. Them owing you money is a separate contract issue.
19. The successor accountant Jerome Schwartz wrote a memo about Hayes bizarre reasoning for not returning CASI payroll documentation.
20. There was a second set of payroll timesheets; different then the first set signed and filed by the employees discovered during the criminal case discovery.

21.I believe the behavior of Hayes led the NIST budget people to believe that Dr Karron was stealing money.

22.CASI had an extensive and generous benefit plan. There other expensive elective surgeries covered by the CASI benefit plan. So there was precedent for various elective surgeries.

23.I looked at the various copies of Quickbooks on Dr. Karron's machine.

Because of the mayhem left by Ken Jackson and Frank Spring, including bouncing checks (Dr. Karron did not bounce checks, checks only started bouncing with Frank Spring took the bookkeeping off site and left Dr. Karron blindsided). Since there were so many copies of Quickbooks; I decided to redo instead of try to edit because there was no way to tell which version to edit.

24.At the height of CASI corporate activities, there were only 75 checks a month, which was not an overwhelming number of transactions.

25.The payroll should have never been in house; it should have been done by an outside service such as ADP or Paychex.

26.When Hayes did order Karron to use an outside Payroll Service, Karron did comply. Hayes in her infinite wisdom set the payroll up under the wrong ID number and took the money of a different entity cash account. In the same vein, Hayes ignored the new corporate entity.

27. Hayes continued to meddle in CASI affairs, as indicated by Rothman's paychecks coming in the name Hayes LLC instead of CASI LLC name well after the grant was suspended in Autumn 2003, with funding continuing out of Dr. Karron's pocket. Payroll services are pretty good at doing what you tell them. They do not make up corporate names of their own volition. This was another example of Hayes meddling and mucking things up royally.
28. When this error was discovered, Hayes wrote e-mail to the payroll service disavowing her involvement with CASI. This is another example of Hayes lying after she has mucked something up.
29. I believe Hayes continued to meddle and attempt to control CASI after the grant was suspended. She continued to bother IRS agent Bonanno when she was no longer CASI's accountant. I believe the time frame on this spring 2006.
30. There is no problem using Quickbooks Class function to segregate how the money was spent.
31. Every penny has been accounted for in my analysis..
32. I carefully reconstructed 5 years of transactions using bank statements, American Express, Mastercard and minimal out of pocket petty cash transactions.



33.I found paid bills for all checks I looked at.

34.I had no trouble finding backup for all checks from Dr. Karron's personal account.

35.Everything was obsessively and excessively saved on the computer.

Such as checks before signing, checks with the invoices attached, checks after signing, checks after clearing the bank, checks were filed by date, by check number. If there was a mistake on how a check was filed, it could be found by any of several methods, ways and means. There was no such thing as "lost" paperwork; misfiled, yes, but lost, not a chance. Dr. Karron had copies of checks and credit card receipts at every step of the paper trail

36.In thirty years of accounting experience, I have yet to see any client with multiple checkbooks not make a mistake and pull the wrong check or deposit into the wrong account. These are considered innocent mistakes. Company A pays back Company B. It happens and it can corrected without federal criminal prosecution.

37.Hayes student, Nicole Wynter repeatedly wrote checks for Dr. Karron on the wrong account for signatures.

38.Since there were so many voided checks, I have to assume Dr Karron would refuse to sign checks with the wrong color or without the appropriate backup invoices attached.

39. There were a number of checks written out of sequence as well.

## RENT

1. Dr Karron has used his home as an business office since he purchased it 1997
2. It is common small business practice for a corporate entity to pay rent on a segregated home office. It's good tax planning.
3. The rent income received from the corporation was picked up Karrons' personal tax return, Form 1040. This has been going on for many years.
4. How could Hayes allege that this is fraudulent or hidden when it has been done this way for several years.
5. Hayes prepared Karron's tax returns for 2000 include schedule E showing rent income.
6. You could see 8 computer stations in the living room.
7. That clearly qualifies as business use of the house under IRS guidelines.
8. Karron's prior tax returns confirm that the Karron apartment qualified for business use.
9. The rent expense on the corporation was not charged to the NIST ATP grant. The checks were written out of the INC account and charged in their own segregated category of RENT.
10. In my reconstruction, this "RENT" was treated as draw until I figured out what actually had happened.

## ATTACHMENTS TO INCLUDE AS EVIDENCE

Appended to this statement are true and correct copies of documents I have personally examined, prepared, or have analyzed.

My submission is quite voluminous due to the fact that I reconstructed the records; and my numbers and analysis differ drastically from the Hayes audit report. I have accounted for every penny in and out of every account. I have done an extremely detailed forensic accounting. This accounting is much more detailed and focused than would be normally done in an everyday business environment. This accounting is overkill. There are detailed American Express accounts; Mastercard has its own journal entries, petty cash has its own journal entries. The purpose of this extra diligence is so that any other competent professional could assess and ascertain the correct numbers. They could also follow the detailed trail of events.

For more information, look at the attachment lead sheets AAC-101 to AAC-118. It is the index into the over 900 page submission.

I have found this case fascinating in both its simplicity; the number and kind of mistakes that have been made. A common mistake would be to misfile a payroll tax return. It is fixable. You file an amended return. You do not continue to file a year of payroll tax returns under the wrong tax id number. If you add up numbers

wrong, you will have missed a number, or doubled up on a number, not made up some other number, such as Dr. Karron's gross salary.

I hope that this will clarify that there was indeed co-funding. That Karron did put his own money into the project, and that scientific research was completed.

I declare under the penalty of perjury that the foregoing is true and correct.

Signed this 23 day of August 2010, in Long Beach, New York.

8/23/10  
By:

*Deborah A Dunlevy*

DEBORAH A DUNLEVY

31- 18 Broadway, Apt 2R

Long Island City, NY 11106

# **Forensic Reconstruction**

## **CASI ENTITIES**

**for the period**

**10/01/01 through 12/31/03**

	Starting		Ending		Topic
<b>A 1</b>	<b>AA</b>	<b>001</b>	<b>AA</b>	<b>010</b>	<b>Overview</b>
<b>A 2</b>	<b>AAC</b>	<b>101</b>	<b>AAC</b>	<b>118</b>	<b>Index of Submitted Items</b>
<b>B</b>	<b>BAC</b>	<b>101</b>	<b>BAC</b>	<b>159</b>	<b>SF 269 A FYE 9/30/02</b>
<b>C</b>	<b>BAC</b>	<b>160</b>	<b>BAC</b>	<b>234</b>	<b>SF 269 A FPE 12/31/03</b>
<b>D</b>	<b>BAC</b>	<b>291</b>	<b>BAC</b>	<b>300</b>	<b>To &amp; From DB Karron G/L A/C's 1900 &amp; 2900</b>
<b>E 1</b>	<b>BAC</b>	<b>301</b>	<b>BAC</b>	<b>400</b>	<b>Co-Funding</b>
<b>E 2</b>	<b>BAC</b>	<b>401</b>	<b>BAC</b>	<b>541</b>	<b>Cash</b>
<b>F</b>	<b>CAC</b>	<b>101</b>	<b>CAC</b>	<b>178</b>	<b>G/L Balance Sheet A/C's</b>
<b>G</b>	<b>CAC</b>	<b>191</b>	<b>CAC</b>	<b>321</b>	<b>G/L Income &amp; Expenses</b>
<b>H</b>	<b>CAC</b>	<b>322</b>	<b>CAC</b>	<b>426</b>	<b>Amex, Mastercard Payroll Analysis</b>
<b>I</b>	<b>HABAC</b>	<b>500</b>	<b>HABAC</b>	<b>593</b>	<b>Questions about Audit</b>
<b>J</b>	<b>HABAC</b>	<b>600</b>	<b>HABAC</b>	<b>636</b>	<b>Audit Discrepancies</b>

**A 1**

# **Overview**

**AA 001 to AAC 010**



## Overview

AA 001A,B,C	Index & Introduction to Summary of Discrepancies
AA 002	Comparison of Budget, Actual and Hayes Audit
AA 003	DB Karron Gross Salary Discrepancy
AA 004	DB Karron Co-Funding Discrepancy
AA 005	Equipment & In-Kind Contribution Discrepancy
AA 006	Monies to & from DB Karron
AA 007	Monies to DB Karron FYE 9/30/02
AA 008	Monies to DB Karron FPE 12/31/03
AA 009	Monies from DB Karron FYE 9/30/02
AA 010	Monies from DB Karron FPE 12/31/03

These twelve pages summarize the major differences from the audited Hayes numbers and the reconstructed numbers prepared at the end of 2004 and during 2005 (after the time period in question).

There is almost a wonton disregard for reconciliation(s) and pure numeric facts.

There was either no audit done by Hayes, or a very poor quality, extremely shoddy audit as shown by variances in several "key" accounts. In small company audits, there is a concept of related parties - officers, partners, major shareholders. DB Karron was 100% owner of Computer Aided Surgery Inc.; special attention should have been paid to the monies that went to and from Karron for the benefit of CASI.

Riley, as a former IRS agent, should have caught the rent income that was reported on Karron's personal income tax return. Riley, as OIG auditor, should have been well aware of the In Kind Contribution allowed for using previously owned equipment for grant purposes. Riley, took as gospel, bad numbers and did nothing to correct them.

The areas of sloppiness cover officer's salary, Co-Funding, In-Kind Contribution and Accounts Payable as well as the previously mentioned monies to and from DB Karron.

My declaration is so large because it gives a professional auditor all the information they would need to discern these facts.

Aside from this overview and the index that follows, there are the B & C sections which are the amended quarterly reports, SF 269 A. The D section is the monies to and from DB Karron.

E 1 section shows Co-Funding of over \$78,000.

E 2 section shows all cash transactions. Every penny has been accounted for - by date as well as by payee.

Section F (Balance Sheet) and Section G (Income and Expenses) are the individual General Ledger accounts.

The volume of pages is due to a software constraint.

The software only lets you can print an individual account when printing a period longer than one fiscal year. CASI's fiscal year ended in May, so that this was the only way to show ALL the activity that happened.

Section H covers the corporate American Express credit card, the personal Mastercard (that was used over 50% for business); as well as payroll analysis for the extremely messed-up payroll tax returns.

Section I goes into questions about the audit; specific areas such as payroll, accounts payable, employee benefits. There is a class function of Quickbooks - which allows you to segregate and allocate the various sources and uses of funds.

This section also covers the entity change form a corporation to a LLC which was also professional tax negligence (due to a pre-existing Net Operating Loss on the corporation).

**Section J** shows the discrepancies on pages HABAC 617 and HABAC 621. There was Co-Funding of 78,204.28; as opposed to zero that is reflected in both Hayes and Riley reports. This variance, by itself, is over 9.77 % of the grant amount for the first year of \$800,000.

The officer loan accounts, to Karron (A/C 1900) and from Karron (A/C 2900), accurately reflect transfer activity from DB Karron. As an aside, in the second grant year until wrap-up; \$100,560 was co-funded. I am confused - co-funding of \$178,764 versus -0-. I guess it was a rounding error???

Last, but not least, Karron was never afforded the opportunity for an audit resolution. You also could change dollars between categories without prior approval from NIST. The grant went from payroll heavy to technology heavy. Change in category - that's all.

My cursory review of Hayes workpapers and general ledger shows inconsistencies. There is co-funding of 29,500 on the profit & loss; as well as 111,000 as salary advance. Advances are usually shown as other assets - they are not profit & loss items. I also question the allocation of Karron salary. If you have a full-time business manager, Gurfein, your time should only be spent on scientific research. There should be no allocation to administration. Secondly, the government has time sheets for research work. Any night and weekend work could be admin time.

Before the grant started CASI owned equipment of \$73,507. During the grant, hardware and software of \$312,936 was acquired. This is a total of \$388,443. **ALL** of this equipment was seized by the government in June 2007. Government seized equipment that was not theirs. More important than the physical equipment is the **intellectual property, work product & custom software** that Karron and company team developed - this was seized as well.

	A	B	C	D	E
1	<b>Amended SF 269 A Report of Spending</b>				
2					
3					
4					
5					Per Hayes
6			BUDGET	ACTUAL	Audit Report
7					
8					
9		<b>INCOME</b>	<b>HABAC 592</b>	<b>HABAC 591</b>	<b>HABAC 593</b>
10					
11		Co Funding	36,500.00	78,204.28	0.00
12		NIST ATP	800,000.00	800,000.00	800,000.00
13					
14		<b>Total Funding</b>	<b>836,500.00</b>	<b>878,204.28</b>	<b>800,000.00</b>
15					
16		<b>EXPENSES</b>			
17	A	Payroll	325,000.00	331,789.92	322,537.00
18	B	Benefits	110,500.00	87,927.26	84,669.00
19	C	Travel	20,000.00	15,655.21	18,450.00
20	D	Equipment	110,000.00	312,936.37	223,503.00
21	E	Supplies	11,000.00	7,066.30	15,302.00
22	F	Outside Service	250,000.00	78,228.99	99,129.00
23					
24	G	Other	10,000.00		
25					
26		Dues and Subscriptions			736.00
27		Professional		15,870.00	10,195.00
28		Rent (Error)		2,000.00	
29		Repairs & Maintenance		4,315.52	1,425.00
30		Utilities		10,829.33	13,895.00
31					
32		<b>Total Expenses</b>	<b>836,500.00</b>	<b>866,618.90</b>	<b>789,841.00</b>
33					
34		<b>Excess Funding</b>		<b>11,585.38</b>	
35		Funds Carried to Next Year			10,159.00
36					
37			N LLC N	94.10	
38			NIST ATP	818,729.80	
39			NN Co Funding	47,795.00	
40			Total Expenses	866,618.90	
41					
42			Co Funding	78,204.28	
43			Excess Expenses	(66,618.90)	
44			Excess Funding	11,585.38	

I met DB Karron in the fall of 2004. I was doing per diem work for Jill Feldman, his current accountant at the time. I proceeded to reconstruct the CASI company records. In doing this reconstruction of records I used source documents. These documents were copies of bank statements and credit cards. There were four company bank accounts and a revolving credit line at Chase Bank, the corporate American Express, and a personal Mastercard that was used at least 50% of the time for business expenses. There was also a small amount of out of pocket cash (petty cash) that was advanced by DB Karron.

One of the major problems in small business accounting is the problem of an owner using the right pocket of personal monies for the left pocket of business monies. And, of course, the opposite of using the left pocket of business monies for right pocket personal expenses. Generally, as long as you, the owner, are owed more money by the corporate entity than you are owing to the corporate entity you have what the tax accountants call "basis" in your company.

In reconstructing these records there are 4 major differences in my actual numbers and the numbers of the Hayes audit. The audit period was 10/01/01 to 9/30/02.

- 1 The actual **Gross Salary** received by DB Karron was \$184,252.72  
This salary was comprised of 6 checks and one journal entry.  
For simplicity, I am listing those items here.

Date	Check No. Payee	Amount
5/11/02	10192 DB Karron	8,333.33
6/3/02	10212 DB Karron	8,333.33
7/5/02	10290 DB Karron	14,583.33
7/5/02	10291 DB Karron	14,583.33
7/5/02	10292 DB Karron	14,583.33
8/2/02	10401 DB Karron	61,918.07
	Sub-Total Checks	122,334.72
9/30/02	AJE DB Karron	61,918.00
<b>Total Gross Salary Received</b>		<b>184,252.72</b>
<b>Salary per Hayes</b>		<b>175,000.00</b>
<b>Difference</b>		<b>9,252.72</b>

#### Additional References

HABAC 501 to 506

**These 7 numbers were not added up correctly by Hayes, Riley, Kwok as well as any other supervisors that were involved.**

## DB Karron Gross Salary Discrepancy

**AA 003**

2 The second difference is the Co-Funding. Hayes audit report shows zero in Co-Funding. I show that \$78,204.28 was either deposited to CASI bank accounts, or a personal check was used to pay for business expenses, or Mastercard paid for expenses. The Mastercard was paid by DB Karron personally. Here is a summary of expenses that were paid for by DB Karron's funding.

A/C No.	Account Name	Total Co-Funding	HABAC				HABAC 632				HABAC 632			
			CAC 113	BAC 311	HABAC 629 to 631	HABAC 632	In-Kind Equipment	Master-Card	Out of Pocket	CAC 115	Personal Check to Bank	Personal Check to Vendors	Personal Check to Bank	Personal Check to Vendors
		207.51												
1010	NCR Check	207.51												
1010	DB Karron Check 5173	3,000.00												
6000	Accounting	500.00								3,000.00				500.00
6010	Auto	301.16		194.15	107.01									
6019	Books	410.67			410.67									
6020	Communications	1.00		1.00										
6040	Computer Installation	689.23			689.23									
6050	Conference	300.00			300.00									
6053	Dues & Subscriptions	91.06			91.06									
6060	Employee Benefits	36,112.66		30.00	18,787.55									17,295.00
6120	Miscellaneous	147.01			147.01									
6130	Office	357.06			357.06									
6175	Postage & Delivery	31.35		31.35										
6175	Repairs	248.10		75.00	173.10									
6330	Research & Development	32,114.26			2,114.25	30,000.00								
6348	Stationery	191.02			191.02									
6370	Travel	3,602.31		1,134.32	2,367.99									
<b>Total</b>		<b>78,204.28</b>	<b>207.51</b>	<b>1,466.82</b>	<b>25,735.95</b>	<b>30,000.00</b>				<b>3,000.00</b>				<b>17,795.00</b>
<b>Total</b>		<b>78,204.28</b>	<b>A/C 4010</b>	<b>A/C 4013</b>	<b>A/C 4014</b>	<b>A/C 4015</b>	<b>A/C 4016</b>	<b>A/C 4017</b>	<b>A/C 4018</b>	<b>A/C 4019</b>	<b>A/C 4020</b>	<b>A/C 4021</b>	<b>A/C 4022</b>	<b>A/C 4023</b>
<b>Co-Funding</b>		<b>78,204.28</b>	<b>78,204.28</b>	<b>78,204.28</b>	<b>78,204.28</b>	<b>78,204.28</b>	<b>78,204.28</b>	<b>78,204.28</b>	<b>78,204.28</b>	<b>78,204.28</b>	<b>78,204.28</b>	<b>78,204.28</b>	<b>78,204.28</b>	<b>78,204.28</b>

## DB Karron Co-Funding Discrepancy

Hayes Audit Co-Funding 0.00  
GX 114 Co-Funding per Riley 0.00

**Actual Co-Funding 78,204.28**

Materiality Percentage 9.78%  
(to 800,000 Grant)

**Co-Funding of 5 % was met and ignored by 2 auditors - Hayes and Riley**

**5 % of \$800,000 is \$40,000. \$78,204.28 exceeds \$40,000.**

AA 004

- 3 The third difference is the dollars spent on equipment. Again Hayes has \$223,503.00 and the amount in the CASI General Ledger is \$290,143.29. This is a difference of \$66,640.29. Thirty thousand of this difference is due to ignoring the Co-Funding of In-Kind Equipment. Under the Grant Rules you may consider prior owned equipment to be used for grant purposes, no need to buy new equipment if you can use what you already own.

GAAP (Generally Accepted Accounting Principles) uses accrual basis accounting. In this basis there are accounts receivable (owed to the CASI) as well as accounts payable (monies CASI owes to their suppliers). CASI owed Silicon City \$16,532.55 from at least 5/31/02. CASI also owed Silicon Graphics \$30,726.15 from 1/9/02. Since these 2 companies have been suppliers since 1996 to CASI they were not overly concerned about being owed money and being paid later than was customary.

To Recap:

<b>Per Hayes HABAC 593</b>		<b>223,503.00</b>	Audit Report
	Per HABAC 624-626	212,884.59	Cash Paid to Vendors
	Per HABAC 625	16,532.55	A/P Silicon City
	Per HABAC 625	30,726.15	A/P Silicon Graphics
HABAC 607	<b>Total per HABAC 626</b>	<b>260,143.29</b>	<b>A/C 6330</b>
HABAC 607	Per HABAC 627	30,000.00	In Kind
	Per HABAC 581	22,793.08	See Schedule Below
<b>Total costs incurred by CASI HABAC 581</b>		<b>312,936.37</b>	
<b>Difference</b>		<b>89,433.37</b>	

**IN KIND Contribution of Equipment was ignored by 2 auditors - Hayes and Riley. Amount of Co-Funding is \$30,000.**

Per HABAC 581 Combination Sheet		
HABAC 604	Amex Software	3,294.54
HABAC 604	Amex Tech	349.55
HABAC 604	Amex Tools	387.25
HABAC 603	Amex Computer Installation	3,944.91
HABAC 603	Amex Equipment	10,802.85
HABAC 605	NIST ATP Computer Installation	3,684.23
HABAC 606	NIST ATP Paypal	329.75
		<b>22,793.08</b>

## Equipment & In-Kind Contribution Discrepancy

**AA 005**

- 4 The fourth difference is the *officers loan accounts*. The monies taken out of CASI, put into CASI, and reclassified to other expenses such as Rent and DB Karron Gross Salary.

The 1900 A/C'S are the monies taken out by DB Karron. These monies should have been considered "net salary" and "grossed-up" to the correct salary amount. Since the initial checks that were taken in October 2001 were not "fixed" until August & September 2002, ten and eleven months after they were taken out this should be considered serious negligence by accountant Hayes.

The 2900 A/C's are the monies put in by DB Karron, as well as the 4000 A/C's that should have been considered as Co-Funding.

One of the major problems in small business accounting is the problem of an owner using the right pocket of personal monies for the left pocket of business monies. And, of course, the opposite of using the left pocket of business monies for right pocket personal expenses. Generally, as long as you, the owner, are owed more money by the corporate entity than you are owing to the corporate entity you have what the tax accountants call "basis" in your company.

The following pages reflect the activity in the respective accounts.

AA 007	Monies to DB Karron FYE 9/30/02
AA 008	Monies to DB Karron FPE 12/31/03
AA 009	Monies from DB Karron FYE 9/30/02
AA 010	Monies from DB Karron FPE 12/31/03

## Monies to & from DB Karron

**AA 006**



G/L A/C	Type	Date	Number	Name	Memo	Class	Debit	Credit	Balance
1901	Check	10/26/01	2977	DB Karron	Jan 2000	INC	2,000.00		
1901	Check	10/26/01	2978	DB Karron	Feb 2000	INC	2,000.00		
1901	Check	10/26/01	2979	DB Karron	Mar 2000	INC	2,000.00		
1901	Check	10/26/01	2980	DB Karron	Apr 2000	INC	2,000.00		
1901	Check	10/26/01	2981	DB Karron	May 2000	INC	2,000.00		
1901	Check	10/26/01	2982	DB Karron	Jun 2000	INC	2,000.00		
1901	Check	10/26/01	2983	DB Karron	July 2000	INC	2,000.00		
1901	Check	10/26/01	2984	DB Karron	Aug 2000	INC	2,000.00		
1901	Check	10/26/01	2985	DB Karron	Sep 2000	INC	2,000.00		
1901	Check	11/8/01	3040	DB Karron	Oct 2000	INC	2,000.00		
1901	Check	11/8/01	3064	DB Karron	Nov 2000	INC	2,000.00		
1901	AJE	12/31/01		INC Rcls Rent		RENT		(14,000.00)	
1901	AJE	12/31/01		INC Rcls Rent		RENT		(8,000.00)	
1901	Check	3/1/02	3142	DB Karron		INC	2,000.00		2,000.00
1902	Check	6/1/01	2901	DB Karron	Draw 2001	INC	1,000.00		1,000.00
1902	Check	10/14/01	2953	DB Karron	Draw 2001	INC	300.00		
1902	Check	10/26/01	2961	DB Karron	Draw 2001	INC	300.00		
1902	Check	10/26/01	2962	DB Karron	Draw 2001	INC	75,000.00		
1902	Check	12/21/01	3103	DB Karron	Draw 2001	INC	500.00		
1902	AJE	12/31/01		INC Rcls Rent		RENT		(1,000.00)	
1902	AJE	8/2/02		NIST Rcls Payroll		NIST PR		(30,000.00)	
1902	AJE	9/30/02		NIST Rcls Payroll		NIST PR		(22,406.08)	
1902	AJE	9/30/02		NIST Rcls Payroll		NIST PR		(14,928.11)	7,765.81
1903	Check	12/6/01	3093	DB Karron	Mar 2001	INC	2,000.00		
1903	Check	12/6/01	3094	DB Karron	Apr 2001	INC	2,000.00		
1903	Check	12/19/01	3100	DB Karron	Dec 2001	INC	2,000.00		
1903	Check	12/28/01	3107	DB Karron	May 2001	INC	2,000.00		
1903	Check	12/28/01	3108	DB Karron	Jun 2001	INC	2,000.00		
1903	AJE	12/31/01		INC Rcls Rent		RENT		(10,000.00)	
1903	Check	1/9/02	3115	DB Karron	Jul 2001	INC	2,000.00		
1903	Check	1/9/02	3116	DB Karron	Aug 2001	INC	2,000.00		
1903	Check	1/9/02	3117	DB Karron	Sep 2001	INC	2,000.00		
1903	Check	2/4/02	3129	DB Karron	Oct 2001	INC	2,000.00		
1903	Check	2/4/02	3131	DB Karron	Nov 2001	INC	2,000.00		
1903	AJE	12/31/01		Rcls Rent		RENT		(6,000.00)	4,000.00
1904	Check	2/4/02	3132	DB Karron	question	INC	2,000.00		2,000.00
1905	Check	3/1/02	3144	DB Karron	Draw 2002	INC	1,000.00		
1905	Check	3/1/02	3145	DB Karron	Draw 2002	INC	5,000.00		
1905	Check	3/5/02	3151	DB Karron	Draw 2002	INC	5,000.00		
1905	Check	3/12/02	3153	DB Karron	Draw 2002	INC	4,000.00		
1905	Check	3/22/02	3155	DB Karron	Draw 2002	INC	2,000.00		
1905	Check	3/29/02	3160	DB Karron	Draw 2002	INC	13,000.00		
1905	Check	5/24/02	3184	DB Karron	Draw 2002	INC	2,000.00		
1905	Check	6/25/02	3193	DB Karron	Draw 2002	INC	1,000.00		
1905	Check	9/12/02	10451	DB Karron	Draw 2002	NIST ATP	15,000.00		
1905	Check	9/25/02	10473	DB Karron	Draw 2002	NIST ATP	5,000.00		53,000.00
1906	Check	1/10/02	3122	DB Karron	Jan 2002	INC	2,000.00		
1906	Check	3/1/02	3143	DB Karron	Mar 2002	INC	2,000.00		
1906	Check	3/29/02	3164	DB Karron	Apr 2002	INC	2,000.00		
1906	Check	5/1/02	3175	DB Karron	May 2002	INC	2,000.00		
1906	AJE	5/31/02		Rcls Rent		RENT		(10,000.00)	
1906	Check	6/2/02	3185	DB Karron		INC	2,000.00		
1906	Check	9/12/02	3199	DB Karron		INC	2,000.00		
1906	Check	9/12/02	3200	DB Karron		INC	2,000.00		4,000.00
1908	AJE	7/6/02		Hayes error		AJE		(4,790.02)	
1908	AJE	7/6/02		Hayes error		AJE		(765.24)	
1908	AJE	8/3/02		Hayes error		AJE		(138.66)	
1908	AJE	9/28/02		Hayes error		AJE	3,838.92		
1908	AJE	9/29/02		Hayes error		AJE		(6,320.74)	(8,175.74)
							193,938.92	(128,348.85)	65,590.07
	<b>Summary</b>								
				Opening	6/01/01		1,000.00		
				Checks	Debits		189,100.00		
				Rcls Rent	Credits			(49,000.00)	
				NIST PR	Credits			(67,334.19)	
				Hayes Errors	Debits		3,838.92		
				Hayes Errors	Credits			(12,014.66)	
	<b>Other Reference</b>						193,938.92	(128,348.85)	65,590.07
	HABAC 619								9/30/02
	HABAC 620						Debits	Credits	Balance
<b>Monies to DB Karron FYE 9/30/02</b>									

AA 007

AA Pages.xls

GL	A/C	Type	Date	Number	Name	Memo	Class	Personal	Debit	Credit	Balance
2900	Opening		5/31/01								(89,531.00)
2901	AJE		10/1/01		In Kind				30,000.00		
2901	AJE		10/1/01		In Kind					(30,000.00)	0.00
2910	Deposit		6/13/01	DBK 5148			INC			(250.00)	
2910	Deposit		7/2/01	DBK 5150			INC			(1,000.00)	
2910	Deposit		7/13/01				INC			(250.00)	
2910	Deposit		7/23/01	DBK 5158			INC			(400.00)	
2910	Deposit		7/26/01	DBK 5160			INC			(200.00)	
2910	Deposit		7/31/01	DBK 5162			INC			(1,000.00)	
2910	Deposit		8/17/01	DBK 5169			INC			(1,000.00)	
2910	Deposit		8/31/01	DBK 5172			INC			(3,000.00)	
2910	Deposit		9/28/01	DBK 5180			INC			(900.00)	
2910	Deposit		10/11/01	DBK 1006			INC			(2,000.00)	
2910	Deposit		12/4/01	DBK 5189			INC			(5,000.00)	
2910	Deposit		3/21/02	DBK 1052			INC			(1,000.00)	
2910	Deposit		8/13/02	DBK 5168			INC			(20,000.00)	
2910	Deposit		8/16/02	DBK 5165			INC			(1,000.00)	(37,000.00)
2913	AJE		9/30/01	OOP 093001			INC			(156.87)	
2913	AJE		5/31/02	OOP 053102			NIST ATP			(886.18)	
2913	AJE		5/31/02	OOP 053102			NN CO-FUND		886.18		
2913	AJE		8/31/02	OOP 083102			NIST ATP			(485.54)	
2913	AJE		8/31/02	OOP 083102			NN CO-FUND		485.54		
2913	AJE		9/30/02	OOP 093002			N LLC N			(94.10)	
2913	AJE		9/30/02	OOP 093002			NN CO-FUND		94.10		(156.87)
2914	Transfer		6/28/01		From MC					(1,262.75)	
2914	Transfer		7/30/01		From MC					(1,287.16)	
2914	Transfer		8/29/01		From MC					(1,403.27)	
2914	Transfer		9/28/01		From MC					(3,843.61)	
2914	AJE		9/30/01	MC DBK	Personal		DBK	2,589.78			(5,207.01)
2914	Transfer		10/30/01		From MC					(7,566.66)	
2914	Transfer		11/22/01		From MC					(1,975.41)	
2914	Transfer		12/31/01		From MC					(3,222.62)	
2914	AJE		12/31/01	MC DBK	Personal		DBK	5,582.32			
2914	AJE		12/31/01		Co-Funding		NN CO-FUND		7,182.37		(5,207.01)
2914	Transfer		1/29/02		From MC					(3,507.53)	
2914	Transfer		2/28/02		From MC					(1,785.22)	
2914	Transfer		3/28/02		From MC					(3,303.95)	
2914	Transfer		4/26/02		From MC					(3,962.10)	
2914	Transfer		5/29/02		From MC					(1,311.07)	
2914	AJE		5/31/02	MC DBK	Personal		DBK	6,121.40			
2914	AJE		5/31/02		Co-Funding		NN CO-FUND		7,694.40		(5,261.08)
2914	Transfer		6/28/02		From MC					(5,231.64)	
2914	Transfer		7/30/02		From MC					(3,722.58)	
2914	Transfer		8/29/02		From MC					(6,669.95)	
2914	AJE		8/31/02	MC DBK	Personal		DBK	4,664.99			
2914	AJE		8/31/02		Co-Funding		NN CO-FUND		10,859.18		
2914	Transfer		9/30/02		Personal					(5,702.08)	(11,063.16)
								18,958.49	57,201.77	(124,380.29)	(137,751.03)
<b>Summary</b>							Reference	Personal	Debit	Credit	Balance
			5/31/01	Opening							(89,531.00)
							INC A/C1000			(37,000.00)	(37,000.00)
							In Kind			(30,000.00)	
							In Kind		30,000.00		
							OOP			(156.87)	(156.87)
							OOP			(1,465.82)	(57,201.77)
							Co Funding		1,465.82		57,201.77
							Mastercard			(55,757.60)	
							Personal	18,958.49			
							Co Funding		25,735.95		(11,063.16)
								18,958.49	57,201.77	(124,380.29)	(137,751.03)
											9/30/02
<b>Monies from DB Karron FYE 9/30/02</b>											

AA 009

GA A/C	Type	Date	Number	Name	Memo	Class	Opening Balance	Personal	Debit	Credit	Balance	
2900	Opening	10/1/02					(89,531.00)				(89,531.00)	
2910	Opening	10/1/02					(37,000.00)					
2910	Deposit	10/4/02	DBK 1129			INC				(5,000.00)		
2910	Deposit	11/14/02	DBK 1142			INC				(5,000.00)		
2910	Deposit	12/4/02	DBK 1152			INC				(2,500.00)		
2910	Deposit	12/10/02	DBK 1153			INC				(2,500.00)		
2910	Deposit	12/12/02	DBK 1154			INC				(2,000.00)		
2910	Deposit	1/23/03				INC				(2,000.00)	(58,500.00)	
2910	Deposit	3/18/03				INC				(2,000.00)		
2911	AJE	10/15/03	DBK 1253			LLC				(472.00)		
2911	AJE	12/3/03	DBK 5376			LLC				(2,000.00)		
2911	AJE	12/3/03	DBK 5375			LLC				(1,000.00)		
2911	AJE	12/5/03	DBK 1268			LLC				(2,000.00)		
2911	AJE	12/8/03	DBK 1275			LLC				(500.00)		
2911	AJE	12/17/03	DBK 5379			LLC				(2,500.00)		
2911	AJE	12/17/03	DBK 5380			LLC				(2,500.00)		
2911	AJE	12/31/03	DBK 123103			LLC				(1,050.00)		
2911	AJE	12/31/03	DBK 123103			LLC				(1,000.00)		
2911	AJE	12/31/03	DBK 123103			LLC				(200.00)		
2911	AJE	12/31/03	DBK 123103			LLC				(130.00)		
2911	AJE	12/31/03	DBK 123103			LLC				(2,000.00)		
2911	AJE	12/31/03	DBK 123103			LLC				(200.00)	(15,552.00)	
2913	AJE	9/30/01	OOP 093001				(156.87)					
2913	AJE	5/31/02	OOP 053102			N LLC N			523.52	(523.52)		
2913	AJE	5/31/02	OOP 053102			N LLC N						
2913	AJE	8/31/02	OOP 083102			N LLC N			1,810.48	(1,810.48)		
2913	AJE	8/31/02	OOP 083102			N LLC N						
2913	AJE	9/30/02	OOP 093002			LLC				(1,402.64)	(1,559.51)	
2913	AJE	9/30/02	OOP 093002									
2914	Opening	10/1/02					(11,063.16)					
2914	Transfer	10/29/02		From MC						(3,857.79)		
2914	Transfer	11/29/02		From MC						(1,197.80)		
2914	Transfer	12/30/02		From MC						(1,379.09)		
2914	AJE	12/31/02	MC DBK	Personal		DBK		8,577.21				
2914	AJE	12/31/02	MC DBK	Co-Funding	NN CO-FUND	DBK			3,559.55			
2914	AJE	1/29/03	MC DBK	Personal		DBK		5,544.86				
2914	Transfer	1/31/03		From MC						(7,404.04)		
2914	AJE	1/31/03		Co-Funding	NN CO-FUND				1,229.00			
2914	Transfer	2/28/03		From MC						(3,305.98)		
2914	AJE	2/28/03	MC DBK	Personal		DBK		386.27				
2914	AJE	2/28/03	MC DBK	Co-Funding	NN CO-FUND				2,484.94			
2914	Transfer	3/31/03		From MC						(4,350.88)		
2914	AJE	3/31/03	MC DBK	Personal		DBK		1,258.55				
2914	AJE	3/31/03	MC DBK	Co-Funding	NN CO-FUND				2,588.06			
2914	Transfer	4/30/03		From MC						(1,772.66)		
2914	AJE	4/30/03	MC DBK	Personal		DBK		727.33				
2914	AJE	4/30/03	MC DBK	Co-Funding	NN CO-FUND				81.50			
2914	Transfer	5/29/03		From MC						(1,874.47)		
2914	AJE	5/30/03	MC DBK	Personal		DBK		1,013.07				
2914	AJE	5/31/03	MC DBK	Co-Funding	NN CO-FUND				261.61			
2914	Transfer	6/28/03		From MC						(1,159.23)		
2914	AJE	6/30/03	MC DBK	Personal		DBK		656.17				
2914	AJE	6/30/03	MC DBK	Co-Funding	NN CO-FUND				81.50			
2914	Transfer	7/29/03		From MC						(1,173.79)		
2914	AJE	7/30/03	MC DBK	Personal		DBK		270.95				
2914	Transfer	8/28/03		From MC						(6,763.55)		
2914	AJE	8/30/03	MC DBK	Personal		DBK		661.45				
2914	Transfer	9/28/03		From MC						(1,568.38)		
2914	AJE	9/30/03	MC DBK	Personal		DBK		668.88				
2914	Transfer	10/29/03		From MC						(2,456.81)		
2914	AJE	10/30/03	MC DBK	Personal		DBK		1,879.31				
2914	Transfer	11/28/03		From MC						(1,536.98)		
2914	AJE	11/30/03	MC DBK	Personal		DBK		373.39				
2914	Transfer	12/30/03		From MC						(2,352.25)		
2914	Transfer	12/30/03	MC DBK	Personal		DBK		1,595.15			(19,117.99)	
							(137,751.03)	23,612.69	12,620.16	(62,742.32)	(184,260.50)	
Summary							Reference	Balance	Personal	Debit	Credit	Balance
		10/1/02	Opening				(89,531.00)					(89,531.00)
		A/C 2910	INC A/C1000				(37,000.00)			(21,500.00)		(58,500.00)
		A/C 2911	LLC Post Grant							(15,552.00)		(15,552.00)
		A/C 2913	OOP				(156.87)			(1,402.64)		(1,559.51)
			OOP							(2,334.00)		(12,620.16)
			Co Funding						2,334.00			12,620.16
			Mastercard				(11,063.16)			(41,953.68)		
			Personal					23,612.69				(19,117.99)
			Co Funding						10,286.16			
							(137,751.03)	23,612.69	12,620.16	(62,742.32)		(184,280.50)
												12/31/03

Monies from DB Karron FPE 12/31/03

Monies from DB Karron FPE 12/31/03

AA 010

# A 2

## **Index of Submitted Items**

**AAC 101 to AAC 118**

	A	B	C	D	E	F	G	H	I	J	K	L	M
1													
2													
3													
4													
5													
6													
7			AAC 101			INDEX of Papers Submitted							
8													
9			AAC 102 AAC	104 Detail o		BAC 101	BAC 159						
10						BAC 160	BAC 234						
11						BAC 291	BAC 300						
12						BAC 301	BAC 541						
13													
14			AAC 105		Cover Sheet		General Ledger			Balance Sheet Accounts			
15			AAC 106 AAC	107	INDEX of Papers Submitted			CAC 101		CAC 178			
16													
17			AAC 108		Cover Sheet		General Ledger			Income and Expense Accounts			
18			AAC 109 AAC	115	INDEX of Papers Submitted			CAC 191		CAC 321			
19													
20			AAC 116		INDEX of Papers Submitted			CAC 322		CAC 426			
21													
22			AAC 117		INDEX of Papers Submitted			HABAC 500		HABAC 593			
23													
24			AAC 118		INDEX of Papers Submitted			HABAC 601		HABAC 636			

4600

AAC 101

A	B	C	D	E	F	G	H	I	J
1	<b>Detail Listing of BAC101 to 234, BAC 291 to 399, BAC 401 to 541</b>								
2									
3				Description		Acct. Number	Beginning Date	Ending Date	
4									
5									
6	BAC	101		Index of SF 269 A Quarterly Reports			10/1/01	9/30/02	
7	BAC	102	BAC	159 SF 269 A Quarterly Reports			10/1/01	12/31/03	
8	BAC	160	BAC	234 SF 269 A Quarterly Reports					
9	BAC	291		List of 4 (Four) Bank Accounts					
10	BAC	292		Summary of Checks Issued to DB Karron			10/1/01	12/31/03	
11	BAC	293	BAC	294 General Ledger Detail		1900	10/1/01	12/31/03	
12	BAC	295		Summary of Loans Payable to DB Karron	A/C		10/1/01	12/31/03	
13	BAC	296	BAC	300 General Ledger Detail	A/C	2900	10/1/01	12/31/03	
14	BAC	301		Divisor Page Co Funding from DB Karron			10/1/01	9/30/02	
15	BAC	302		Monies Received from DB Karron & NIST ATP			10/1/01	9/30/02	
16	BAC	303		Graphic Representation of BAC 302			10/1/01	12/31/03	
17	BAC	304		Monies Received from DB Karron & NIST ATP			10/1/01	12/31/03	
18	BAC	305		Graphic Representation of BAC 302			10/1/01	12/31/03	
19	BAC	306	BAC	307 Excel Detail of Monies Received from DB Karron & NIST			10/1/01	12/31/03	
20	BAC	308	BAC	310 General Ledger Detail	A/C	4000	10/1/01	12/31/03	
21	BAC	311		Excel Summary of Out of Pocket Monies Advanced by DB Karron			10/1/01	6/27/03	
22	BAC	312		General Ledger Detail	A/C	2913	10/1/01	12/31/03	
23	BAC	313	BAC	318 Adjusting Journal Entries for OOP					
24	BAC	319	BAC	320 Excel Summary of Monies TO & FROM DB Karron	A/C	1900			
25					A/C	2900			
26					A/C	6504			
27									
28	BAC	321	BAC	322 General Ledger Detail Due From DBK	A/C	1900	10/1/01	9/30/02	
29	BAC	323	BAC	324 General Ledger Detail Due to DBK	A/C	2900	10/1/01	9/30/02	
30	BAC	325		General Ledger Detail Net Payroll Checks	A/C	6504			
31	BAC	326	BAC	327 Excel Summary of Monies TO & FROM DB Karron	A/C	1900	10/1/02	12/31/03	
32					A/C	2900	10/1/02	12/31/03	
33					A/C	6504	10/1/02	12/31/03	
34									

BAC 101 to 159  
 BAC 160 to 234  
 BAC 291 to 300  
 BAC 301 to 541

AAC 102



A	B	C	D	E	F	G	H	I	J
<b>Detail Listing of BAC101 to 234, BAC 291 to 399, BAC 401 to 541</b>									
1	2	3	4	5	6	7	8	9	10
				Description		Acct Number	Beginning Date	Ending Date	
35	BAC	328	BAC	329 General Ledger Detail Due From DBK	A/C	1900	10/1/02	12/31/03	
36	BAC	330	BAC	333 General Ledger Detail Due to DBK	A/C	2900	10/1/02	12/31/03	
37	BAC	334		General Ledger Detail Net Payroll Checks	A/C	6504	10/1/02	12/31/03	
38	BAC	335		Accounts Payable Summary Report				8/31/02	
39	BAC	336		Accounts Payable Summary Report				9/30/02	
40	BAC	337		Accounts Payable Summary Report				12/31/02	
41	BAC	338		Accounts Payable Summary Report				1/31/03	
42	BAC	339	BAC	340 Vendor Detail Report				1/31/03	
43	BAC	341		Accounts Payable Summary Report				11/30/03	
44	BAC	342		Accounts Payable Summary Report				12/31/03	
45	BAC	343		Accounts Payable Summary Report				1/31/04	
46	BAC	344	BAC	348 Vendor Detail Report			12/1/03	1/31/04	
47									
48	BAC	349		Summary Schedule of 5 Largest Expense Categories			10/1/01	9/30/02	
49	BAC	350	BAC	357 Report by Class			10/1/01	9/30/02	
50	BAC	358	BAC	359 General Ledger Detail Payroll	A/C	6300	10/1/01	9/30/02	
51	BAC	360	BAC	361 General Ledger Detail Employee Benefits	A/C	6060	10/1/01	9/30/02	
52	BAC	362	BAC	364 General Ledger Detail Payroll Taxes	A/C	6350	10/1/01	9/30/02	
53	BAC	365		General Ledger Detail Outside Service	A/C	6150	10/1/01	9/30/02	
54	BAC	366	BAC	368 General Ledger Detail Equipment	A/C	6330	10/1/01	9/30/02	
55									
56	BAC	369		Summary Schedule of 5 Largest Expense Categories			10/1/01	12/31/03	
57	BAC	370	BAC	379 Report by Class			10/1/01	12/31/03	
58	BAC	380	BAC	383 General Ledger Detail Payroll	A/C	6300	10/1/01	12/31/03	
59	BAC	384	BAC	387 General Ledger Detail Employee Benefits	A/C	6060	10/1/01	12/31/03	
60	BAC	388	BAC	392 General Ledger Detail Payroll Taxes	A/C	6350	10/1/01	12/31/03	
61	BAC	393	BAC	395 General Ledger Detail Outside Service	A/C	6150	10/1/01	12/31/03	
62	BAC	396	BAC	399 General Ledger Detail Equipment	A/C	6330	10/1/01	12/31/03	
63									

AAC 103  
2 of 3



A	B	C	D	E	F	G	H	I	J
1									
2									
3									
4									
5									
64	BAC	401		<b>INDEX BAC 404 to BAC 541 CASH</b>					
65	BAC	402	BAC	419 CASI INC Chase Account 2996-65	A/C	1000		10/1/01	5/21/03
66	BAC	420	BAC	465 NIST ATP Chase Account 8735-65	A/C	1010		11/21/01	8/21/03
67	BAC	466	BAC	482 CASI LLC Chase Account 1331-65	A/C	1020		3/25/03	1/23/04
68	BAC	483	BAC	491 LLC NIST Chase Account 1331-66	A/C	1030		3/25/03	1/23/04
69									
70	BAC	492		Sources and Uses Of Funds Summary				10/1/01	12/31/03
71				A/C 1000, A/C 1010, A/C 1020, A/C 1030					
72									
73	BAC	504		Excel Schedule Reimbursed Expenses for Travel etc				10/1/01	12/31/03
74									
75	BAC	505		<b>Tracing Cash Transaction Flow Description</b>					
76	BAC	506		508 Balance Sheet Activity				10/1/01	12/31/03
77	BAC	509		516 Income & Expense Activity				10/1/01	12/31/03
78	BAC	517		Opening Balance Sheet					9/30/01
79	BAC	518		527 CASI Entities Financial Statements				10/1/01	9/30/02
80	BAC	528		539 CASI Entities Financial Statements				10/1/01	12/31/03
81	BAC	540		<b>Statement of Cash Flows</b>				10/1/01	9/30/02
82	BAC	541		<b>Statement of Cash Flows</b>				10/1/01	12/31/03
83									
84									
85				<b>Detail Listing of BAC101 to 234, BAC 291 to 399, BAC 401 to 541</b>					

AAC-104  
3 of 3

CAC 101-178 G/L Balance Sht  
CAC 191-321 G/L Incom + Exp  
CAC 322-426 Annex

# CASI ENTITIES

## General Ledger

10/01/01 through 12/31/03

## Balance Sheet Accounts

CAC 101 to CAC 178

Cover Sheet Balance Sheet 1  
Balance Sheet Inventory 2  
Cover Sheet Income + Exp 1  
Income + Expense Inventory 7  
Amex, Mastercard and Payroll 1  
AAC 105

1:25 PM  
8/21/10  
Account BookCASI ENTITIES  
Balance Sheet  
As of December 31, 2003

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
						Dec 31, 03						100			
1					Index of Balance Sheet			1	3		CAC	101		CAC	103
2															
3															
4					ASSETS										
5					Current Assets										
6					Checking/Savings										
7					1000 - CASI INC 2996-66	-0.01	1000	1	5		CAC	104		CAC	108
8					1010 - NIST ATP 8736-66	-0.01	1010	1	18		CAC	109		CAC	126
9					1020 - CASI LLC - 1331-66	-3,932.60	1020	1	4		CAC	127		CAC	130
10					1030 - LLC NIST 1331-66	38.32	1030	1	2		CAC	131		CAC	132
11					1080 - Mastercard 1872	3.57	1080	1	2		CAC	133		CAC	134
12					Total Checking/Savings	-3,890.73									
13					Accounts Receivable										
14					1200 - Accounts Receivable	3,427.00	1200	1	1		CAC	135			
15					Total Accounts Receivable	3,427.00									
16					Other Current Assets										
17					1399 - Tax Impound	111.41	1399	1	1		CAC	136			
18					Total Other Current Assets	111.41									
19					Total Current Assets	-352.32									
20					Fixed Assets										
21					1400 - Furniture & Fixtures										
22					1450 - Accumulated Depreciation	-56,087.00									
23					1400 - Furniture & Fixtures - Other	73,507.00									
24					Total 1400 - Furniture & Fixtures	17,420.00	1400	1	1		CAC	137			
25					Total Fixed Assets	17,420.00									
26					Other Assets										
27					1600 - Loan and Exchange	415.53	1660	1	1		CAC	138			
28					1660 - Stock Subscription Receivable	80,000.00	1660	1	1		CAC	139			
29					1700 - Rent Security	4,000.00	1700	1	1		CAC	140			
30					1900 - Due from DBK		1900	1	3		CAC	141		CAC	143
31					1902 - DBK 2001 Draw	8,765.81									
32					1904 - DBK 2002	6,530.38									
33					1906 - DBK 2002 Draw	53,000.00									
34					1907 - DBK 2003	9,206.18									
35					1908 - Hayes Errors	-13,678.56									
36					Total 1900 - Due from DBK	63,823.81									
37					Total Other Assets	148,239.34									
38					TOTAL ASSETS	165,307.02									
39					LIABILITIES & EQUITY										
40					Liabilities										
41					Current Liabilities										
42					Accounts Payable										
43					2000 - Accounts Payable	136,547.84	2000	1	3		CAC	144		CAC	146
44					Total Accounts Payable	136,547.84									
45					Other Current Liabilities										
46					2010 - Chase SBSF		2010	1	1		CAC	147			
47					2040 - Credit Card	3.00									
48					2060 - Rounding	5.03									
49					2010 - Chase SBSF - Other	1.97									
50					Total 2010 - Chase SBSF	10.00									
51					2100 - Payroll Liabilities		2100	1	18		CAC	148		CAC	165
52					2115 - FUI Payable	288.91									
53					2121 - New York State Withholding	783.06									
54					2122 - New York City Withholding	654.03									
55					2125 - NY SUI Payable	177.59									
56					Total 2100 - Payroll Liabilities	1,903.59									
57					2200 - American Express	-358.40	2200	1	6		CAC	166		CAC	171
58					Total Other Current Liabilities	1,555.19									

AAC 106

1:25 PM  
8/23/10  
Accrual BasisCASI ENTITIES  
Balance Sheet  
As of December 31, 2003

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1						Dec 31, 03						100			
2					Index of Balance Sheet			1	3		CAC	101		CAC	103
3															
59					Total Current Liabilities	138,103.03									
60					Long Term Liabilities										
61					2900 - Payable to DBK		2900	1	6		CAC	172		CAC	177
62					2901 - 5/31/01 Payable to DBK	89,531.00									
63					2909 - FROM DBK TO 1331-06	0.00									
64					2910 - FROM DBK TO INC	58,500.00									
65					2911 - FROM DBK TO LLC	15,552.00									
66					2912 - FROM DBK TO NIST ATP	0.00									
67					2913 - FROM DBK VIA OOP - OUT OF PO	1,559.51									
68					2914 - MC 5263-2710-0928-1872	19,117.99									
69					Total 2900 - Payable to DBK	184,260.50									
70					Total Long Term Liabilities	184,260.50									
71					Total Liabilities	322,363.53									
72					Equity										
73					3100 - Retained Earnings	-104,432.26									
74					3300 - Partners Capital		3300	1	1		CAC	178			
75					3302 - Capital - Joel Bernstein	10,000.00									
76					3303 - Capital - James Cox	10,000.00									
77					3307 - Capital - Lee Goldberg	10,000.00									
78					3308 - Capital - Elisha Gurfein	30,000.00									
79					3310 - Capital - Abe Karron	10,000.00									
80					3311 - Capital - Marion Karron	10,000.00									
81					3313 - Capital - Frederica Miller	10,000.00									
82					3318 - Capital - Matthew Rothman	10,000.00									
83					3330 - Capital - D.B. Karron	-86,079.00									
84					Total 3300 - Partners Capital	13,921.00									
85					Net Income	-66,545.25									
86					Total Equity	-157,056.51									
87					TOTAL LIABILITIES & EQUITY	165,307.02									
88															
89							Blank	1	12		CAC	179		CAC	190
90															
91															

AAC 107

# **CASI ENTITIES**

## **General Ledger**

**10/01/01 through 12/31/03**

**Income & Expense Accounts**

**CAC 191 to CAC 321**

*AAC 108*

7:35 PM  
07/25/10  
Accrual BasisCASI ENTITIES  
Profit & Loss  
October 2001 through December 2003

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
						Oct '01 - Dec 03									190
1															
2															
3					Profit & Loss Index			1	9		CAC	191		CAC	199
4															
5					Ordinary Income/Expense										
6					Income										
7					4000 - Income										
8					4010 - Reimbursed Expense Income	738.37									
9					4013 - Co-Funding via Out of Pocket	3,799.82									
10					4014 - Co-Funding via Mastercard	36,022.11									
11					4015 - In-Kind Equipment Contribution	30,000.00									
12					4020 - NIST ATP Income	1,345,500.00									
13					4709 - FROM DBK TO NIST LLC A/C 1030	1,100.00									
14					4711 - FROM DBK TO LLC A/C 1020	76,494.00									
15					4712 - FROM DBK TO NIST A/C 1010	3,000.00									
16					4912 - DBK For NIST ATP	27,610.00									
17					Total 4000 - Income	1,524,264.30	4000	1	3		CAC	200		CAC	202
18					Total Income	1,524,264.30									
19					By Class Allocated Income & Expenses			1	16		CAC	203		CAC	218
20					Expense										
21					5000 - AE-Accounting										
22					5001 - AE-Jill Feldman CPA	1,000.00	5000	1	1		CAC	219		CAC	219
23					Total 5000 - AE-Accounting	1,000.00									
24					5002 - AE-Airfare		5002	1	1		CAC	220		CAC	220
25					5003 - AE-American Airlines	100.00									
26					5004 - AE-American West	316.00									
27					5005 - AE-Expedia	1,404.98									
28					5006 - AE-Jetblue	586.50									
29					Total 5002 - AE-Airfare	2,407.48									
30					5007 - AE-Auto		5007	1	1		CAC	221		CAC	221
31					5008 - AE-Airport Parking	3.00									
32					5009 - AE-Central Parking	50.00									
33					5010 - AE-Edison Parking	68.00									
34					5011 - AE-Gas	221.59									
35					5007 - AE-Auto - Other	4.00									
36					Total 5007 - AE-Auto	346.59									
37					5123 - AE-Books		5123	1	1		CAC	222		CAC	222
38					5124 - AE-Amazon	34.89									
39					5125 - AE-Barnes & Noble	18.40									
40					5126 - AE-Borders Books	48.66									
41					5128 - AE-IEEE Books	533.51									
42					Total 5123 - AE-Books	635.46									
43					5137 - AE-Domain Name	95.00	5137	1	1		CAC	223		CAC	223
44					5138 - AE-Dues and Subscriptions	2,015.73	5138	1	1		CAC	224		CAC	224
45					5139 - AE-Finance Charge	12.40	5139	1	1		CAC	225		CAC	225
46					5140 - AE-Hardware		5140	1	3		CAC	226		CAC	228
47					5141 - AE-3D.FX Cool	86.30									
48					5143 - AE-ADOBE.Com	935.52									
49					5145 - AE-BitBox	1,014.43									
50					5148 - AE-CFDT.Electronics	1,370.16									
51					5155 - AE-Columbia Home	285.63									

AAC 109

7:35 PM  
07/25/10  
Accrual BasisCASI ENTITIES  
Profit & Loss  
October 2001 through December 2003

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1						Oct '01 - Dec 03									190
2															
52					5157 - AE-Datavision	10,587.49									
53					5158 - AE-Digital River	180.82									
54					5159 - AE-Dymo Corp.	309.55									
55					5161 - AE-Electrical Supply	1,686.35									
56					5163 - AE-Garmin International	350.17									
57					5185 - AE-GL Video	335.00									
58					5166 - AE-Grainger	84.45									
59					5168 - AE-IBM Direct	1,525.24									
60					5169 - AE-J&R Sound	243.53									
61					5170 - AE-Kipe Bay Hardware	46.98									
62					5171 - AE-Lumberland	9.90									
63					5173 - AE-Projector People	199.00									
64					5174 - AE-Rackit Technology	1,366.00									
65					5176 - AE-Sub Zero Technology	89.35									
66					5178 - AE-Wacom Technology	171.29									
67					5180 - AE-Winzip	29.00									
68					5140 - AE-Hardware - Other	346.77									
69					Total 5140 - AE-Hardware	21,252.93									
70					5189 - AE-Hotel	2,961.41	5189	1	1		CAC	229		CAC	229
71					5190 - AE-Installation		5190	1	1		CAC	230		CAC	230
72					5191 - AE-Home Depot	30.72									
73					5192 - AE-Homefront Hardware	3,165.07									
74					5193 - AE-Jensen Tools	1,161.01									
75					5190 - AE-Installation - Other	576.21									
76					Total 5190 - AE-Installation	4,933.01									
77					5200 - AE-Internet		5200	1	1		CAC	231		CAC	231
78					5201 - AE-Amtrak	57.00									
79					5203 - AE-Expedia	356.24									
80					5200 - AE-Internet - Other	0.00									
81					Total 5200 - AE-Internet	413.24									
82					5210 - AE-Meals	5,069.72	5210	1	1		CAC	232		CAC	232
83					5220 - AE-Office		5220	1	2		CAC	233		CAC	234
84					5221 - AE-Bruce Better Living	129.75									
85					5222 - AE-Coffee Distributing	524.55									
86					5223 - AE-Eckerd	15.19									
87					5224 - AE-Label Universe	35.40									
88					5225 - AE-Marriott Gift Shop	6.00									
89					5226 - AE-Office Depot	4,426.26									
90					5227 - AE-Office Max	28.20									
91					5228 - AE-Pearl Paint	47.93									
92					5229 - AE-Radio Shack	596.22									
93					5230 - AE-RiteAid	6.26									
94					5231 - AE-Staples	1,029.35									
95					5220 - AE-Office - Other	1,108.04									
96					Total 5220 - AE-Office	7,953.15									
97					5250 - AE-Paypal	20.44	5250	1	1		CAC	235		CAC	235
98					5260 - AE-Phone		5260	1	1		CAC	236		CAC	236
99					5261 - AE-IDT	128.20									
100					5263 - AE-Sierra Wireless	104.74									

AAC 110

7:35 PM  
07/25/10  
Accrual BasisCASI ENTITIES  
Profit & Loss  
October 2001 through December 2003

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1						Oct '01 - Dec 03									190
2															
101				5264	AE-Skytel	50.18									
102				5265	AE-Sprint	39.81									
103				5266	AE-Telephone	315.52									
104				5260	AE-Phone - Other	127.00									
105				Total 5260	AE-Phone	765.45									
106				5270	AE-Postage		5270	1	1		CAC	237		CAC	237
107				5275	AE-USPS	1,251.13									
108				Total 5270	AE-Postage	1,251.13									
109				5280	AE-Repairs	46.16	5280	1	1		CAC	238		CAC	238
110				5290	AE-Seminar		5290	1	1		CAC	239		CAC	239
111				5292	AE-SIAM Math Society	500.00									
112				Total 5290	AE-Seminar	500.00									
113				5299	AE-Software		5299	1	3		CAC	240		CAC	242
114				5300	AE-Buy Up Time	799.49									
115				5301	AE-Coda Company	177.45									
116				5302	AE-Digital River Soft	207.93									
117				5303	AE-Eacceleration	36.00									
118				5306	AE-GetInfo.Com	55.58									
119				5307	AE-Iris Inc.	427.91									
120				5308	AE-Jasc Software	19.00									
121				5309	AE-Kennedy Software	5.95									
122				5310	AE-McAfee	72.69									
123				5311	AE-MYNAI.Com	71.38									
124				5312	AE-Quickbooks	1,563.44									
125				5313	AE-Regnow	73.86									
126				5314	AE-Regsoft	97.89									
127				5315	AE-Rhino	82.91									
128				5316	AE-Roxio	195.85									
129				5317	AE-Runtime	159.00									
130				5318	AE-Software for Science	258.00									
131				5319	AE-Tehachemy	56.90									
132				5320	AE-Visioneer	514.90									
133				5321	AE-WNT.Reg.Net	57.90									
134				5322	AE-WWW.RTT.Com	39.74									
135				5323	AE-Zippy.USA	426.00									
136				5299	AE-Software - Other	586.79									
137				Total 5299	AE-Software	5,986.56									
138				5350	AE-Tech		5350	1	1		CAC	243		CAC	243
139				5351	AE-Time Motion Tools	104.55									
140				5352	Microsoft	245.00									
141				Total 5350	AE-Tech	349.55									
142				5360	AE-Tools		5360	1	1		CAC	244		CAC	244
143				5361	AE-Micro Mark	139.95									
144				5362	AE-Tecra Tools	247.30									
145				Total 5360	AE-Tools	387.25									
146				5369	AE-Traver		5369	1	1		CAC	245		CAC	245
147				5371	AE-Luggage Carts	14.00									
148				5372	AE-Metrocard	120.00									
149				5373	AE-Taxi and Limousine	385.89									

AAC III



7:35 PM  
07/25/10  
Accrual BasisCASI ENTITIES  
Profit & Loss  
October 2001 through December 2003

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1						Oct '01 - Dec 03									190
2															
150				5374 - AE-Train		1,678.55									
151				5369 - AE-Travel - Other		86.59									
152				Total 5369 - AE-Travel		2,285.03									
153				6000 - Accounting			6000	1	2		CAC	246		CAC	247
154				6001 - Joseph Cornwall		2,945.10									
155				6003 - Jill Feldman CPA		5,500.00									
156				6004 - Joan Hayes CPA		15,215.00									
157				6005 - Ken Jackson		25,290.00									
158				6006 - Spitz & Greenstein		13,000.00									
159				Total 6000 - Accounting		61,950.10									
160				6010 - Auto			6010	1	3		CAC	248		CAC	250
161				6011 - Auto Rental		2,898.76									
162				6012 - Exxon		1,006.92									
163				6013 - Gas		537.13									
164				6014 - Mobil		63.91									
165				6015 - Parking		2,434.37									
166				6016 - Sunoco		364.17									
167				6017 - Tolls		1,459.05									
168				Total 6010 - Auto		8,764.31									
169				6018 - Bank Charges		576.35	6018	1	2		CAC	251		CAC	252
170				6019 - Books		1,362.23	6019	1	1		CAC	253		CAC	253
171				6020 - Communications			6020	1	5		CAC	254		CAC	258
172				6021 - ATT		370.27									
173				6022 - Cable		2,866.02									
174				6024 - IDT		234.56									
175				6025 - MCI		710.60									
176				6026 - RCN		1,599.27									
177				6027 - Reimbursed Telephone		344.00									
178				6028 - Skytel		1,565.47									
179				6029 - Sprint		914.37									
180				6030 - Thorn		5,787.48									
181				6031 - TTMobile		238.60									
182				6032 - Verizon		5,347.29									
183				6034 - Voicestream Wireless		350.81									
184				6035 - Vz Wireless		725.97									
185				6036 - Webworks		4,600.00									
186				Total 6020 - Communications		25,654.71									
187				6040 - Computer Installation			6040	1	1		CAC	259		CAC	259
188				6041 - Columbia		1,822.76									
189				6043 - Figlia & Sons		1,995.00									
190				6044 - Homefront Hardware		8,736.30									
191				6045 - Kips Bay Hardware		170.27									
192				6046 - Metro Solar		2,040.00									
193				6047 - Mistretta Electric		5,400.00									
194				Total 6040 - Computer Installation		20,164.33									
195				6050 - Conference		4,310.60	6050	1	1		CAC	260		CAC	260
196				6051 - Depreciation		21,677.00	6051	1	1		CAC	261		CAC	261
197				6052 - Domain Name		70.00	6052	1	1		CAC	262		CAC	262
198				6053 - Dues and Subscriptions		452.46	6053	1	1		CAC	263		CAC	263

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7:35 PM  
07/25/10  
Accrual BasisCASI ENTITIES  
Profit & Loss  
October 2001 through December 2003

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1						Oct '01 - Dec 03									190
2															
199					6060 - Employee Benefits		6060	1	8		CAC	264		CAC	271
200					6061 - Arista	3,104.35									
201					6062 - Childcare Services - Rosalie Ma	2,735.00									
202					6063 - Drugs	5,754.76									
203					6064 - Gym Membership	3,356.22									
204					6065 - Horizon	888.54									
205					6066 - Medical Reimbursed	62,018.00									
206					6067 - Oxford Health	27,153.26									
207					Total 6060 - Employee Benefits	105,010.13									
208					6090 - Equipment Repairs	477.84	6090	1	1		CAC	272		CAC	272
209					6091 - Finance Charge	300.79	6091	1	1		CAC	273		CAC	273
210					6092 - Honorarium	1,136.42	6092	1	1		CAC	274		CAC	274
211					6093 - Insurance	2,370.17	6093	1	2		CAC	275		CAC	276
212					6100 - Legal		6100	1	1		CAC	277		CAC	277
213					6102 - Frederica Miller ESQ	16,000.00									
214					6103 - LLBL	352.60									
215					6106 - Pannia & Edmonds	10,075.28									
216					6107 - Schwartz & Salomon	1,972.00									
217					6108 - Scialabba and Associates	3,000.00									
218					6109 - Solomon & Bernstein	11,950.00									
219					Total 6100 - Legal	43,349.88									
220					6120 - Miscellaneous	498.65	6120	1	1		CAC	278		CAC	278
221					6122 - NG Check	0.00	6122	1	1		CAC	279		CAC	279
222					6130 - Office	2,092.73	6130	1	2		CAC	280		CAC	281
223					6150 - Outside Service		6150	1	3		CAC	282		CAC	284
224					6151 - Abe Karon	1,000.00									
225					6152 - Advanced Technology Group	71,000.00									
226					6153 - Astrom Systems	400.00									
227					6154 - Bator Binter	12,759.75									
228					6165 - D. Ferrand	8,519.00									
229					6157 - George Wolberg PhD	40,898.99									
230					6158 - James Cox o/a	33,930.00									
231					6159 - Jane Laylor	161.00									
232					6160 - Peter Ross	1,172.64									
233					6161 - Radio Logic	100.00									
234					6162 - Scott Albin	2,000.00									
235					6163 - Valley of the Mage Consulting	1,000.00									
236					Total 6150 - Outside Service	172,941.38									
237					6170 - Paypal Payments	1,234.25	6170	1	1		CAC	285		CAC	285
238					6175 - Postage & Delivery	1,570.94	6175	1	1		CAC	286		CAC	286
239					6177 - Reim - Expenses	96.15	6177	1	1		CAC	287		CAC	287
240					6178 - Repairs		6178	1	1		CAC	288		CAC	288
241					6180 - General	319.04									
242					6178 - Repairs - Other	275.00									
243					Total 6178 - Repairs	594.04									
244					6189 - Rent		6189	1	1		CAC	289		CAC	289
245					6191 - Rent for 2001	33,000.00									
246					6192 - Rent for 2002	28,000.00									
247					6193 - Rent for 2003	24,000.00									

7:35 PM  
07/25/10  
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Profit & Loss  
October 2001 through December 2003

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1						Oct '01 - Dec 03									190
2															
248					Total 6189 - Rent	85,000.00									
249					6300 - Payroll Expenses		6300	1	4		CAC	290		CAC	293
250					6301 - Scott Albin emp	5,550.00									
251					6302 - Robert Benedict	22,823.07									
252					6303 - S.W. Bothwick	780.00									
253					6304 - James L. Cox emp	53,625.00									
254					6305 - Elsha Gurfein	100,000.95									
255					6306 - D.B. Karron	334,004.12									
256					6307 - Charles La Sala	23,685.00									
257					6308 - Regner M. Peralta	5,047.50									
258					6309 - Peter Ross	11,354.00									
259					6310 - Matthew Rothman	43,417.50									
260					6311 - Robert G. Wine	3,520.00									
261					6314 - Nicholas A. Wynter	15,221.25									
262					Total 6300 - Payroll Expenses	619,028.39									
263					6315 - Payroll Processing	295.60	6315	1	1		CAC	294		CAC	294
264					6330 - Research and Development		6330	1	4		CAC	295		CAC	298
265					6331 - American Advanced Power	215.00									
266					6332 - American Media Systems	1,245.09									
267					6333 - Denver Air Support	295.00									
268					6334 - E MAG	2,850.00									
269					6335 - frozencpu.com	845.83									
270					6337 - General Computer	114,433.14									
271					6338 - Pacific Data Storage	1,429.00									
272					6339 - Ricoh	9,019.57									
273					6340 - Server Technology	6,895.55									
274					6341 - SOI Developers	295.00									
275					6342 - Silicon City	134,061.39									
276					6343 - Silicon Graphics	78,093.54									
277					6344 - Vision Shape	6,643.25									
278					6345 - YC Cable	210.00									
279					6346 - In Kind Computer Equipment	30,000.00									
280					6330 - Research and Development - Other	2,768.47									
281					Total 6330 - Research and Development	389,299.83									
282					6349 - Stationery	2,877.94	6349	1	1		CAC	299		CAC	299
283					6350 - Payroll Taxes		6350	1	5		CAC	300		CAC	304
284					6351 - FICA	32,798.26									
285					6352 - Medicare	8,966.92									
286					6353 - FUTA	1,065.77									
287					6354 - NYSUI	3,199.21									
288					6356 - NJ Disability	404.70									
289					6357 - NJ UI	1,024.80									
290					6358 - NC SUI	107.72									
291					6359 - Penalties and Late Fees	192.35									
292					Total 6350 - Payroll Taxes	47,759.73									
293					6360 - Taxes		6360	1	1		CAC	305		CAC	305
294					6361 - NY Corporation Tax	800.00									
295					Total 6360 - Taxes	800.00									
296					6370 - Travel		5370	1	3		CAC	306		CAC	308